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XO Communications, Inc.

11111 Sunset Hills Road  
Reston, VA 20190  
USA

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TN REGULATORY AUTHORITY  
DOCKET ROOM



February 6, 2003

David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243

Re: Notice of Consummation of the Corporate Reorganization of  
XO Communications, Inc., Parent Company of XO Tennessee, Inc.  
and Notice of the Emergence of XO Communications, Inc. from  
Chapter 11 Bankruptcy Status

Docket No. 02-01202

Dear Mr. Waddell:

This letter constitutes formal notice that the reorganization of  
XO Communications, Inc. ("XO") was consummated effective January 16, 2003 (the  
"Effective Date"), and as a consequence, XO has emerged from its Chapter 11  
bankruptcy status. This reorganization was approved by the Tennessee Regulatory  
Authority ("Authority") in the above-referenced docket.

Specifically, on the Effective Date, the "Stand-Alone Plan" for XO, as  
confirmed by the U.S. Bankruptcy Court for the Southern District of New York, was  
effectuated, and the outstanding equity of XO was extinguished. On the Effective Date,  
\$1 billion in senior secured loans (the "Senior Secured Debt") was converted on a  
*pro rata* basis into 95 percent of the new common stock of XO and \$500 million  
principal amount of junior secured debt pursuant to an amended and restated debt facility  
(the "Junior Loan"). XO is the borrower under the Junior Loan, and all current and future  
subsidiaries of XO have or will guarantee payment under the facility and provide a  
security interest in their assets. The remaining five percent of XO common stock is being  
issued under the Stand-Alone Plan to the holders of senior notes and other general  
unsecured claims divided *pro rata* according to the amount of their claims.

Due to its holdings of Senior Secured Debt, on the Effective Date,  
approximately 80 percent of the new common stock of XO was issued to High River  
Limited Partnership ("High River"), an entity ultimately controlled by Carl C. Icahn. The  
application in the above-referenced docket noted that, as a potential additional step, High  
River, as well as Meadow Walk Limited Partnership (which is also ultimately controlled  
by Carl C. Icahn and which is to be issued approximately two percent of XO common  
stock on the Effective Date), might transfer their stock in XO so that such stock would be


held by Cardiff Holding LLC ("Cardiff"). Cardiff is a Delaware limited liability company which is ultimately controlled by Carl C. Icahn. In fact, on the Effective Date, High River transferred its XO stock, so that currently Cardiff holds a majority of the outstanding common stock of XO.

XO is the parent company of XO Tennessee, Inc., which holds a certificate from the Authority to provide competitive telecommunications services.<sup>1</sup> As the reorganization was solely at the parent company level, there is no change in the certificated entity, its certificate or its tariffs. The contact for customer and Authority inquiries relating to the XO certificated entity continues to be:

Cathleen A. Massey  
Vice President – External Affairs  
Assistant General Counsel  
XO COMMUNICATIONS, INC.  
11111 Sunset Hills Road  
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Telephone: (703) 547-2361  
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Enclosed please find an original, thirteen (13) copies and a duplicate of this filing. Please date-stamp the duplicate and return it in the enclosed self-addressed, postage pre-paid envelope provided. Please contact the undersigned with any communications concerning this notification.

Respectfully submitted,

  
Cathleen A. Massey  
Vice President – External Affairs  
Assistant General Counsel  
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<sup>1</sup> XO Tennessee, Inc. was authorized to provide telecommunications services in Tennessee on September 29, 1995 in Docket No. 98-0252.